

(A) BOARD RESOLUTION.

BEFORE [[EACH]] THE ISSUANCE OF STOCK OR CONVERTIBLE SECURITIES, THE BOARD OF DIRECTORS SHALL ADOPT A RESOLUTION WHICH:

(1) AUTHORIZES THE ISSUANCE;

(2) SETS THE MINIMUM PRICE OR VALUE OF CONSIDERATION FOR THE STOCK OR CONVERTIBLE SECURITIES OR A FORMULA FOR ITS DETERMINATION; AND

(3) FAIRLY DESCRIBES ANY CONSIDERATION OTHER THAN MONEY AND STATES:

(I) ITS ACTUAL VALUE AS DETERMINED BY THE BOARD OF DIRECTORS; OR

(II) THAT THE BOARD OF DIRECTORS HAS DETERMINED THAT THE ACTUAL VALUE IS OR WILL BE NOT LESS THAN A CERTAIN SUM.

(B) EFFECT OF RESOLUTION.

IN THE ABSENCE OF ACTUAL FRAUD IN THE TRANSACTION, THE VALUE OF CONSIDERATION STATED IN THE CHARTER OR DETERMINED BY THE BOARD OF DIRECTORS IN ITS RESOLUTION IS CONCLUSIVE FOR ALL PURPOSES.

(C) STOCK DIVIDEND.

FOR PURPOSES OF THIS SECTION, THE CONSIDERATION FOR STOCK ISSUED AS A STOCK DIVIDEND IS THE RESULTING CAPITALIZATION OF SURPLUS.

(D) RECLASSIFICATION OF STOCK; CONSOLIDATION; MERGER.

THIS SECTION DOES NOT APPLY TO THE ISSUANCE OF STOCK OR CONVERTIBLE SECURITIES AS PART OF:

(1) A RECLASSIFICATION OF STOCK EFFECTED BY AMENDMENT OF THE CHARTER; OR

(2) A CONSOLIDATION OR MERGER.

(E) WHEN FULL PAID AND NONASSESSABLE.

IF ITS ISSUANCE IS AUTHORIZED IN ACCORDANCE WITH THIS SUBTITLE, STOCK WITH PAR VALUE AND SECURITIES CONVERTIBLE INTO STOCK WITH PAR VALUE MAY BE ISSUED AS FULL PAID AND NONASSESSABLE EVEN IF THE PRICE OR VALUE OF THE CONSIDERATION RECEIVED IS LESS THAN THE PAR VALUE OF THE STOCK ISSUED OR THE STOCK INTO WHICH THE SECURITIES